

ORIGINAL
MEMORANDUM



TO: Docket No. W-03514A-12-0008
FROM: Arizona Corporation Commission, Hearing Division
DATE: April 15, 2016
RE: Hearing Division Revised Proposed Amendment #1

This Memorandum is provided as a courtesy to make the persons on the service list for this docket aware that Hearing Division Revised Proposed Amendment #1, which is attached, has been filed in the docket.

Copies mailed/delivered
This 15th day of April, 2016, to:

J. Stephen Gehring
8157 West Deadeye Road
Payson, AZ 85541

Bobby and Lois Jones
7325 North Caballero Road
Payson, AZ 85541

Jason Williamson, President
PAYSON WATER CO., INC.
7581 East Academy Boulevard, Suite 229
Denver, CO 80230

Robert Hardcastle
P.O. Box 82218
Bakersfield, CA 93380

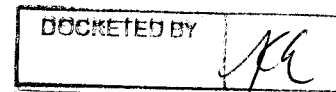
Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Thomas Broderick, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
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HEARING DIVISION REVISED PROPOSED AMENDMENT # 1

TIME/DATE PREPARED: April 15, 2016

COMPANY: Payson Water Co., Inc./Brooke
Utilities, Inc.

AGENDA ITEM NO.: TBD

DOCKET NO.: W-03514A-12-0008

OPEN MEETING:DATE: May 3 & 4,
2016 (Tentative)

Page 1, Lines 3 through 5:

DELETE: outdated list of Commissioner names

INSERT: current list of Commissioner names

Page 6, Line 22:

INSERT:

“ On November 17, 2014, in the Smith Docket, a procedural conference was held, with Mr. Smith appearing pro se, Payson appearing telephonically through Mr. Williamson, and Staff appearing through counsel. Mr. Pearson attended telephonically and provided sworn testimony under examination from the Administrative Law Judge and Mr. Smith.¹⁸

¹⁸ Mr. Pearson's sworn testimony of November 17, 2014, is part of the evidentiary record in the Smith Docket.”

Page 7, Line 13:

INSERT:

“ At the Open Meeting of January 12, 2016, the Commission considered a Recommended Opinion and Order issued in the Smith Docket on November 23, 2015, along with Mr. Smith's Exceptions thereto filed on January 4, 2016. Payson and Staff appeared through counsel, but Mr. Smith did not appear. The Commission voted to approve the Recommended Opinion and Order.

On January 19, 2016, Decision No. 75413²⁰ was issued in the Smith Docket, finding that Payson had disconnected water service to Mr. Smith's home without providing valid prior notification, that Payson had overcharged the account for Mr. Smith's home through

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

Payson error in reading the meter, and that Payson had charged MDC the hauling charges (specifically the travel time) for water hauled to EVP. The Decision dismissed with prejudice the remaining allegations of Mr. Smith's Complaint and ordered Payson to credit the account for Mr. Smith's home for interest on a \$200 reconnection charge from the date paid to the date credited and for the uncredited overcharge amount from the date of payment to December 1, 2015. The Decision further required Payson to file an amended Curtailment Tariff clarifying specific items and requiring compliance with A.A.C. R14-2-410(F) when an account involves a landlord-tenant arrangement. The Decision also required both Payson and Staff to make filings regarding the payment methods available to Payson's customers. Finally, the Decision required Payson to credit MDC customer accounts for the cumulative amount of the travel charge overages with interest, using a specified methodology based upon average total MDC usage and each MDC customer's average billed account usage in the billings for July through September 2011.

On February 19, 2016, Mr. Smith filed an Application for Rehearing, which was denied by operation of law on March 10, 2016.

On March 18, 2016, Payson filed a Notice of Compliance including a Report on Payment Methods.

²⁰ Official notice is taken of this decision."

Page 12, Line 26:

INSERT:

" On November 23, 2015, a Recommended Opinion and Order was issued in this matter.

On December 3, 2015, Complainants filed a Motion for an Extension of Time to Respond and File Exceptions to the Recommendations of the Administrative Law Judge to the Commissioners, requesting an additional 30 to 60 days to file exceptions.

On December 4, 2015, a Procedural Order was issued extending the deadline for exceptions from December 2, 2015, to January 4, 2016.

On January 4, 2016, Complainants filed a Motion for an Extension of Time to Respond and File Exceptions to the Recommendations of the Administrative Law Judge to the Commissioners, requesting an additional extension of 60 to 90 days to file exceptions.

On January 11, 2016, a Procedural Order was issued extending the deadline for exceptions from January 4, 2016, to March 4, 2016.

On March 3, 2016, Complainants filed a Notice and Demand of Intent for the Record of Exhaustion of Administrative Remedies and Exceptions to the Administrative Law Judge's Recommendations to the Commission.

This matter was included as an item on the Regular Agenda portion of the Notice and Revised Notice provided for the Open Meeting of April 12 and 13, 2016. At the Open

Meeting on April 12, 2016, however, Chairman Little announced that the item was removed from consideration at the request of a Complainant.”

Page 27, Line 9:

DELETE: “the Smith Docket”

INSERT: “Decision No. 75413”

Page 29, Lines 17 and 22:

DELETE: “the Smith Docket”

INSERT: “Decision No. 75413”

Page 29, Line 27:

DELETE: “fees”

INSERT: “fee”

Page 30, Line 28:

DELETE: “the Smith Docket Decision”

INSERT: “Decision No. 75413”

Page 31, Lines 27 and 28:

DELETE: the entire last sentence in footnote 66

INSERT: “Mr. Smith did not establish that the exemption for households using less than 4,000 gallons per month applied to his household.”

Page 37, Lines 2, 13, and 27:

DELETE: “Exhibit 3”

INSERT: “Exhibit 4”

Page 37, Line 18:

DELETE: “for”

Page 43, Line 2:

DELETE: "is"

INSERT: "was"

Page 49, Line 17 through Page 50, Line 2:

CORRECT line justification

Page 52, Line 13:

DELETE: "the Smith Docket"

INSERT: "Decision No. 75413"

Page 54, Line 8:

DELETE: "Exhibit 3"

INSERT: "Exhibit 4"

Page 56, Line 15:

DELETE: "the Decision in the Smith Docket"

INSERT: "Decision No. 75413"

Page 57, Line 17:

DELETE: "is ordered to make in the Smith Docket"

INSERT: "was ordered to make in Decision No. 75413"

MAKE ALL CONFORMING CHANGES.